

# Guide to **Customer Retention**

## INTRODUCTION

# Don't let customer attrition sneak up on you

You work so hard to acquire new customers—and it's our goal to help you keep them!

This guide contains everything you need to know to start doing churn analysis—the process of capturing and analysing feedback directly from your current customers, as well as customers who have recently churned, to uncover the real reasons your customers choose to renew or leave.

As you begin to build out your churn analysis program, it's critical for you to be proactive. When you consign customer churn analysis to the realm of *reactive* metrics, you miss out on the opportunity to harness your data to build *proactive* strategies that address the root causes of attrition.

For successful business leaders, the goal isn't merely to reduce churn after it happens—**it's to anticipate and prevent it altogether.**

Churn analysis with Clozd delivers the insights you need to ...

- Understand your customers' pain points
- Identify at-risk accounts
- Boost customer retention

"Clozd helps us uncover the root causes behind attrition and identify at-risk clients so that we can take action and increase client retention."

—Brian Stucki, President & COO at Qualtrics

SECTION  
01

# Eliminate the high cost of customer churn

Consider the myriad costs related to creating new customer relationships—marketing efforts, sales outreach, technology and infrastructure, discounts and incentives, market research, and much more. Retention efforts, meanwhile, are far less costly because they centre on maintaining and strengthening *existing* relationships.

## Key principles

- While continual acquisition efforts allow you to expand your customer base, customer retention allows you to maximise the value of customers you've already captured.
- The benefits of churn analysis spread throughout your organisation, helping build a customer-centric culture.
- Churn analysis enables you to increase retention, boost renewal revenue, and identify win-back opportunities.

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## The value of keeping your customers happy

The cost of acquiring new customers is **5x higher** than the cost of retaining the customers you already have. While continual acquisition efforts allow you to expand your customer base, customer retention allows you to maximise the value of customers you've already captured.

Customer acquisition cost (CAC) can vary depending on a variety of factors, such as ...

- Sales cycle length
- Market competition
- Product complexity
- Marketing channel efficiency

- Customer lifetime value (CLV)
- Brand recognition
- Geographic factors
- Customer expectations
- Industry standards

No matter the specific CAC factors, retention-focused efforts—such as customer-success initiatives and churn-reduction strategies—**offer higher ROI because they tap into an already engaged audience.** Because of this, it's critical for companies to actively invest in customer satisfaction and loyalty alongside acquisition strategies.

## Wide-ranging benefits

Customer retention is an org-wide objective, which means the benefits of churn analysis aren't confined to your customer success team.

**Keeping a pulse on your customers' health** empowers your sales, marketing, CS, product, and other teams to take the steps necessary to meet their needs and make sure you're providing the best experience possible.

"I think that one of the things that really helps us gain credibility is having customer insights to support our recommendations. **We're able to be key stakeholders in a lot of different projects by having our pulse on the market.** This includes understanding new trends and new areas of mental and physical health needs that our clients really care about or are investing in. As much as we can be people who deliver actionable insights and recommendations, the more helpful we are across the company."

—Zahra Chithiwala, Group Product Marketing Manager at Headspace

See below for a quick rundown of how each department could use churn analysis insights to boost retention and drive revenue.

### CASE STUDY


 The image shows the Headspace logo, which consists of a white circle on an orange background, followed by the word "headspace" in a lowercase, sans-serif font.
 

headspace

Clozd played a key role after Headspace and Ginger's mid-pandemic merger in late 2021, delivering direct customer feedback that informed the new company's strategy around a potential rebrand and its product roadmap.

[Read the case study →](#)



## Customer success (obviously)

Churn analysis provides insights that directly influence customer retention strategies, relationship management, and proactive support. **By turning feedback into targeted actions**, you can ensure that your customers see value and stick around for the long haul.



## Sales

Refine your ideal customer profiles (ICPs) and focus efforts on leads with a higher likelihood of long-term success. Additionally, churn insights can help you set more realistic expectations with prospects and new customers, which builds loyalty and sets them up for success.



## Product

Direct feedback from current customers is invaluable for your product team in **guiding development priorities**, enhancing user experience, and aligning product offerings with your customers' ever-evolving needs.



## Executives

When your leadership team is equipped with actionable insights, they're enabled to improve customer satisfaction, reduce churn, and make data-driven strategic decisions. This helps ensure sustainable growth and builds your competitive advantage.



## Marketing

**Understanding specific customer needs and pain points** helps your marketing team refine its messaging and create more targeted and tailored campaigns that truly resonate with your ICPs.



## Product marketing

This data helps product marketers focus their product positioning and adjust their messaging to emphasise solutions to help meet customers' needs and expectations.

## Real-world examples

### CS

A customer success team might notice through churn analysis that small-business customers frequently leave due to lack of onboarding support. By redesigning onboarding programs and tracking improvements through stay interviews, the team can improve customer satisfaction and reduce attrition.

### PRODUCT

A company discovers that many of its users are frustrated by a lack of mobile functionality. By prioritizing a mobile app in its development roadmap, the company improves usability, leading to higher customer satisfaction and improved retention.

### MARKETING

Stay interviews can help identify champions who can engage in referral or advocacy programs—such as participating in case studies, providing testimonials, or joining loyalty initiatives.

## What outcomes can you expect from churn analysis?

By performing effective churn analysis with Clozd—which you'll learn more about in the next section—you'll be able to ...

### Increase retention and renewal revenue

Most companies assume they know which of their clients are at risk. We've found that an additional **1 in 20 clients are also at risk of churning**. Gaining a deep understanding of the reasons your customers leave will help you focus on the best ways to get them to stay.

### Identify win-back opportunities

We've found that **10% of closed-lost deals represent legitimate win-back opportunities**. Churn interviews often uncover opportunities to win customers back, and then we help map out ways to recapture that lost revenue.

### Easily view churn data and trends

The Clozd Platform separates new and existing business, making it easy for you to view, analyse, and act on the insights you capture through churn analysis.

#### QUOTABLE



The sales rep heard a 'no,' but the Clozd interviewer heard 'not now.' And by the time we went over the interview, the 'not now' had become 'now we're actually ready.' So if that Clozd interview hadn't happened, we probably would've just put that deal to the side and not pursued it. **Instead, we've got a late-stage \$500K opportunity in our hands.**"

**Tom Kahl**  
CRO at Hello Heart

[Read the case study →](#)

SECTION  
02

# How does churn analysis work?

Now that you've seen the potential value of churn analysis—the *why*—let's dive into exactly how you can set up your own program.

## Key principles

- Collect feedback from your current or recently churned customers using churn and stay interviews.
- Churn and stay interviews provide richer, more detailed feedback than surveys.
- Review the steps of how to build your own churn analysis program from scratch.

### GATHER FEEDBACK

#### Uncovering impactful win-loss insights

Clozd combines the data you already have—from your CRM, call recordings, and more—with the buyer intelligence we provide through interviews and surveys to provide ongoing, org-wide visibility into why you really win and lose.

[Learn more →](#)

## Collecting direct customer feedback

There are two primary ways Clozd performs churn analysis:

### Churn interviews

Interviews with customers that have churned are an essential tool for companies to understand why customers leave, uncover opportunities for improvement, and enhance retention strategies.

As you consider creating your own churn analysis program, it's important to know that customers—and especially former customers—are often more open and honest when they're talking with an objective third party like Clozd.

"We found that while we had tried to get information from customers on our own, sometimes customers are a little more closed in terms of what they'll share with us. And so we thought that using a third party for this type of interview could help to uncover some details that they just weren't sharing with us—and **we found that partnering with Clozd really helped them to be more open and transparent.**"

—Kathy Hassett, Vice President of Customer Success and Renewals at Xactly

## Stay interviews

“Stay” interviews with existing clients diagnose the ways you’re meeting (and/or falling short of) their expectations. Stay interviews should be **tailored, in-depth, and adaptable**, with questions aiming to connect with and understand the unique objectives and experiences of each customer.

Companies use stay interviews to find out ...

- What’s going well?
- What’s not going well?
- What are some areas for improvement?
- How can we ensure that we retain those customers?
- Are they currently thinking of renewing with us, or are they maybe on the fence?
- Are there some out there that are already looking at other options that we weren’t aware of?

You can also ask questions about their experience interacting with various teams—sales, customer success, support, professional services—as well as their thoughts about your pricing model.

Engaging with your most loyal customers through stay interviews is a critical component of proactive churn prevention. By understanding what keeps them engaged and satisfied, you gain valuable insights into the key drivers of retention. These insights can then be used to replicate successful strategies, enhance your overall customer experience, and strengthen relationships with your entire customer base.

## Interviews vs. Surveys

Many companies send out surveys (such as NPS surveys) to connect with their current customers. The results—especially for churned clients—are often underwhelming.

This was the case for Kathy Hassett, vice president of customer success and renewals at Xactly.

“Our response rate was really low on our surveys,” she said. “And if they did respond, it was very surface level, so we weren’t able to really glean any good information. In most cases, they didn’t respond at all. We certainly had more success when we started using Clozd.”

**Surveys can be useful for tracking high-level trends** that can help you determine where to focus your interviews. As a best practice, use surveys to solicit feedback from any buyers that you do not plan to interview.

### WIN-LOSS ANALYSIS

#### Collect unbiased and unfiltered feedback

Clozd goes straight to the source—actual decision makers—to find out why they decided to buy from you (or from someone else).

[Learn more →](#)

### SURVEYS

#### Surveys deliver useful quantitative data

Surveys from Clozd help you collect additional win-loss data and reach a broader, more representative sample of your pipeline.

[Learn more →](#)

Survey feedback isn't as rich as interview feedback because surveys are shorter in duration, the questions are predefined, and participation rates are significantly lower (3–5% for surveys vs. 15–20% for interviews). Because of this, it's best to use surveys to complement your interview strategy.

## Building your own churn analysis program

### Step 1: Design a custom program

Your churn analysis program will be based on the unique needs and goals of your company. Our team will help you refine your strategy, ask the most insightful questions, target the right customers, leverage the most valuable data sources, engage your key stakeholders, and more.

### Step 2: Connect with your customers—one interview at a time

When it comes to identifying what's working and what's not, nobody knows better than your customers. **Unbiased and in-depth interviews** with your at-risk and churned customers—conducted by trained win-loss experts—help you understand critical details about your customers' experiences, objectives, and pain points.

### Step 3: Share insights broadly

Clozd transcribes and tags your interviews to highlight the most important themes and trends, and the Clozd Platform's dynamic reporting and Slack integrations make it easy to get the right data to the right leaders. Make changes in your business based on honest customer feedback—and then watch retention improve.

### Step 4: Enjoy unrivalled visibility into why your customers stay and leave

Clozd already uncovers the reasons you win and lose new business—and now we've made it easier for you to understand why your current customers either renew or churn. The added ability to analyse what you're hearing from both prospects and existing customers will better enable your sales and client success teams.

#### QUOTABLE

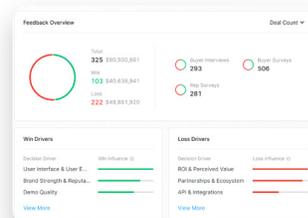


Reps will seldom get honest responses as to why a deal was lost, whereas Clozd steps in, acts as an unbiased third party, and walks through a detailed interview process with the client to know their reasoning. **The detail we've received in these interviews is outstanding**—much of which we'll use to further educate our teams."

#### Shivang Patel

Sr. Director, Growth & Strategic Initiatives at FloQast

#### PRODUCT



### The Clozd Platform

Our innovative software automates the entire win-loss process and provides ongoing, org-wide visibility into the real reasons our clients win and lose business.

[Check it out →](#)

SECTION  
03

# Real companies, real value

It's easy for companies to say their product is the best. But it's more meaningful when *your customers* say your product is the best. Consider these real-life use cases from Xactly and Clearbit, two companies that have seen real value from partnering with Clozd.

## Key principles

- Instead of being reactive to issues that created friction—and even rendered some of their customer relationships unsalvageable—**Xactly** has used churn and stay interviews to be proactive in uncovering problems before they have a chance to fester.
- **Clearbit's** unique approach to win-loss analysis (using interviews to refine their product roadmap) provides a valuable example of how companies can meet their customers' needs and expectations.

### CASE STUDY



Xactly uses Clozd to identify previously unknown issues and develop custom plans to boost customer loyalty and retention.

[Read the case study →](#)

### Xactly uses “stay” interviews to identify and save at-risk accounts

After trying to gather useful customer feedback through surveys—and seeing underwhelming results—Xactly's customer success team partnered with Clozd to perform win-loss interviews for both new and churned clients. After seeing their response rate (and the quality of feedback) increase drastically, Xactly's team had the idea to expand their program to include “stay” interviews to explore and assess the needs of all their current customers.

“We thought it would be great to look at our customer base as a whole, and **we figured that there were probably a number of customers out there that were at-risk, and maybe we weren't aware yet.** But even if they weren't at-risk, we thought that we could gain a lot of good, valuable information by talking with these customers and doing what we were calling ‘stay’ interviews.”

—Kathy Hassett, Vice President of Customer Success and Renewals at Xactly

The results from these interviews have been overwhelmingly positive.

Xactly has been able to connect with their customers on a completely different level. Instead of being reactive to issues that created friction—and even rendered some of their customer relationships unsalvageable—they’ve been proactive in uncovering problems before they have a chance to fester.

The combination of churn and stay interviews gave Xactly a far clearer better picture of why clients chose to renew or not renew. The data they acquired helped them ...

- Nearly eliminate churn with high-value clients
- Increase their confidence by confirming assumptions about why some clients were at risk
- Discover opportunities to improve processes and better serve their customers
- Build goodwill by showing that they truly care about their customers’ success

### Clearbit attributes a 10% increase in gross retention to their partnership with Clozd

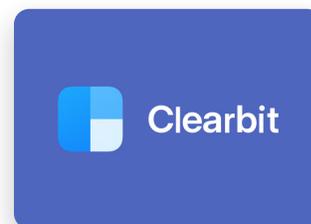
Clearbit has taken a product-centric approach to win-loss analysis, with a primary focus on increasing both product adoption and customer retention. Specifically, they leveraged Clozd interviews to ...

- Validate their product roadmap
- Launch two new products based on feedback from current customers
- Provide objectivity and confidence around their strategic decisions
- Significantly increase customer retention

“I think a lot of companies are dealing with challenges with retention right now. But from my perspective, it’s like, yeah, the market sucks and there’s going to be things that are outside of our control. **[Doing win-loss analysis] is so within our control, and it helps.**”

—Rebecca Yang, Vice President of Engineering at Clearbit

#### CASE STUDY



Many companies use win-loss analysis as a way for their sales and marketing teams to uncover hidden revenue opportunities.

Clearbit is taking a different approach.

[Read the case study →](#)

# About Clozd

Clozd is a leading provider of software and services for **win-loss analysis**, which helps organisations improve their sales win rates, build better products, strengthen their competitive advantage, and consistently uncover the real reasons they win and lose business. We work with B2B solution providers in a wide range of industries including enterprise software, healthcare, manufacturing, financial services, education, business services, and more.

Our founding partners—Andrew Peterson and Spencer Dent—are veterans of the market research technology space. Prior to founding Clozd, Andrew spent eight years at Qualtrics, where he worked as general manager for one of Qualtrics' market research software products. Spencer previously worked in management consulting as a case team leader for Bain & Company's sales effectiveness practice. After Bain, Spencer worked as the head of sales strategy and operations at Qualtrics.

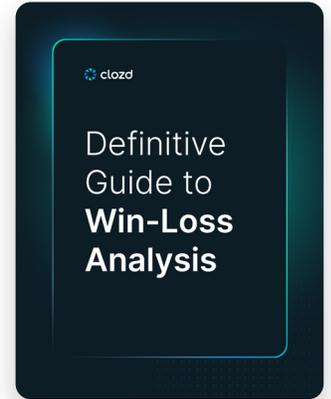
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### GUIDE



## Unlock the power of direct buyer feedback

Your buyers know exactly why you're winning and losing—why aren't you asking them?

[Download the guide](#) →